

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS

TO: PRAGUDHA FINANCIAL SERVICES, INC.
DBA MLA CHINO HILLS PAYDAY CHECK CASHING
DBA MLA CHINO PAYDAY LOAN
DBA MLA CHINO 2 PAYDAY LOAN
14584 Pipeline Avenue
Chino, CA 91210

CITATIONS
AND
DESIST AND REFRAIN ORDER
(Pursuant to California Financial Code section 23058)

The California Corporations Commissioner finds that:

1. Pragudha Financial Services, Inc. dba MLA Chino Hills Payday Check Cashing; MLA Chino Payday Loan; MLA Chino 2 Payday Loan, hereinafter (“Licensee”) is, and was at all relevant times herein, a corporation, with its principal place of business located at 14584 Pipeline Avenue, Chino, CA 91210 (“Location 1”). Licensee has additional licensed business locations at 6040 Riverside Drive, Unit B, Chino, CA 91710 (“Location 2”) and 12150 Romona Avenue, Chino, CA 91710 (“Location 3”).

2. On or about May 2, 2006, Licensee obtained licenses from the California Corporations Commissioner (“Commissioner”) to engage in the business of deferred deposit transactions at Locations 1, 2 and 3.

3. An examination of Licensee conducted by the Commissioner on November 20, 2007 disclosed the following violations at Location 2 and Location 3.

Citation A. Licensee failed to disclose correct Annual Percentage Rates (APRs) in Agreements for deferred deposit transactions in violation of Financial Code section 23035 (e) (1).

Citation B. Licensee accepted Agreements in which blanks were left to be filled in after execution in violation Financial Code section 23037 (h). This violation was also disclosed during the previous regulatory examination that was conducted at Location 1 on July 11, 2006.

Pursuant to California Financial Code section 23058, Licensee is hereby ordered to pay to the Commissioner an administrative penalty for Location 2 in the total amount \$8,000 for the following Citations within 30 days from the date of these Citations.

Citation A. \$5,000

Citation B. \$3,000

Pursuant to California Financial Code section 23050, Licensee is hereby ordered to desist and refrain from engaging in the business of deferred deposit transactions in the State of California in violation of the above referenced sections.

These Citations and Desist and Refrain Order are necessary, in the public interest, for the protection of consumers and is consistent with the purposes, policies and provisions of the California Deferred Deposit Transaction Law. These Citations and Desist and Refrain Order shall remain in full force and effect until further order of the Commissioner.

These Citations are separate from any further action that may include other administrative, civil or criminal remedies that the Commissioner may take based upon the violations of law cited herein or otherwise.

California Financial Code section 23058 provides, in relevant part:

(a) If, upon inspection, examination or investigation, based upon a complaint or otherwise, the department has cause to believe that a person is engaged in the business of deferred deposit transactions without a license, . . . the department may issue a citation to that person in writing, describing with particularity the basis of the citation. Each citation may contain . . . an assessment of an administrative penalty not to exceed two thousand five hundred dollars (\$2,500)

(c) If within 30 days from the receipt of the citation of the person cited fails to notify the department that the person intends to request a hearing as described in subdivision (d), the citation shall be deemed final.

(d) Any hearing held under this section shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code

California Financial Code section 23050 provides:

Whenever, in the opinion of the commissioner, any person is engaged in the business of deferred deposit transactions, as defined in this division, without

1 a license from the commissioner, or any licensee is violating any provision
2 of this division, the commissioner may order that person or licensee to desist
3 and to refrain from engaging in the business or further violating this division.
4 If, within 30 days, after the order is served, a written request for a hearing is
5 filed and no hearing is held within 30 days thereafter, the order is rescinded.

6 The request for a hearing may be made by delivering or mailing a written request to:

7 Steven Thompson
8 Special Administrator
9 California Deferred Deposit Transaction Law
10 Department of Corporations
11 320 West 4th Street, Ste. 750
12 Los Angeles, California 90013-2344
13 (213) 576-7610

14 Dated: December 28, 2007
15 Los Angeles, CA

16 PRESTON DUFAUCHARD
17 California Corporations Commissioner

18 By _____
19 STEVEN C. THOMPSON
20 Special Administrator
21 California Deferred Deposit Transaction Law
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